



2018 NOV 13 PM 12:37

OFFICE OF THE
SECRETARY

MURIEL BOWSER
MAYOR

NOV 13 2018

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue, N.W., Suite 504
Washington, DC 20004

Dear Chairman Mendelson:

This letter transmits my request for Council review and approval of the proposed legislation the “New Communities Bond Authorization Emergency Declaration Resolution of 2018;” the “New Communities Bond Authorization Emergency Amendment Act of 2018”; the “New Communities Bond Authorization Temporary Amendment Act of 2018”; and the “New Communities Bond Authorization Amendment Act of 2018.”

The approval of this legislation would amend the D.C. Code to allow the District to issue Income Tax Secured Bonds (ITSB) to support the New Communities Initiative (NCI) at the same time the District issues other ITSBS. As currently written, the D.C. Code requires all NCI Income Tax Secured Bonds to be issued separately and independently from Capital Income Tax Secured Bonds. Separate transactions to issue Capital ITSB and New Communities ITSB require the District to procure multiple bond counsels and financial advisers which increases costs due to the duplication of certain documents and services. Grouping the NCI ITSB with other ITSB bond issuances will allow the District to more effectively and efficiently issue bonds resulting in savings on the costs, more favorable interest rates, lower issuance expenses, and generation of larger bond proceeds for funding projects.

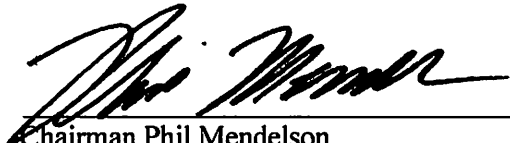
This amendment is needed on an emergency basis to support the forthcoming issuance of an NCI ITSB, without which the issuance must be completed as a stand-alone transaction, creating additional issuance expenses.

I look forward to your prompt and favorable consideration of these measures. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Muriel Bowser".

Muriel Bowser


Chairman Phil Mendelson
at the request of the Mayor

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A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend D.C. Official Code to allow the Mayor to issue certain bonds as a separate series of an issuance of bonds for capital projects to alleviate market problems related to issuing a single independent series of taxable bonds.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "New Communities Bond Authorization Amendment Act of 2018".

Sec.2. The Housing Production Trust Fund act of 2005, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2801 *et seq.*) is amended as follows.

(a) Subchapter § 42-2812.03 is amended as follows:

(1) Section (e) is amended as follows:

(A) Strike the phrase "separate and independent" and insert the phrase "separate series of" in its place.

(B) Strike the phrase "not as a part of an income tax" and insert the phrase "not combined into a single series with income tax" in its place.

Sec. 3. Fiscal impact statement.

The Council adopts the fiscal impact statement in the Committee report as the fiscal impact statement required by section 602(c)(3) of the Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code §1-206.02(c)(3)).

32 **Sec. 4. Effective Date.**

33 This act shall take effect following approval by the Mayor (or in the event of veto by the
34 Mayor, action by the Council to override the veto), and a 30 day period of Congressional review
35 as provided in section 602(c)(1) of the District of Columbia Self-Government and Governmental
36 Reorganization Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02
37 (c) (2)), and publication in the District of Columbia Register.

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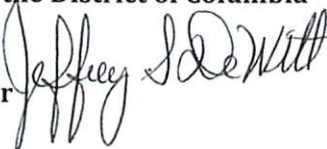
Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: November 6, 2018

SUBJECT: Fiscal Impact Statement – New Communities Bond Authorization
Emergency Amendment Act of 2018

REFERENCE: Draft Bill as shared with the Office of Revenue Analysis on November 6,
2018

Conclusion

Funds are sufficient in the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill.

Background

The New Communities Initiative was developed to revitalize severely distressed subsidized housing and redevelop four District neighborhoods: Barry Farm,¹ Northwest One,² Park Morton,³ and Lincoln Heights.⁴ The District financially assists private developers in creating mixed-use properties and mixed-income communities. The District used the Housing Production Trust Fund (HPTF) to support debt for New Communities Initiative projects, but the Council ended that practice effective May 2013 in favor of the issuance of income tax secured bonds.⁵

¹ Barry Farm/Park Chester/Wade Road Redevelopment Plan Approval Resolution of 2006, effective December 19, 2006 (Resolution 16-922; 54 DCR 35).

² Northwest One/Sursum Corda Affordable Housing Protection, Preservation and Production Act of 2006, effective November 16, 2006 (D.C. Law 16-188; 53 DCR 6750).

³ Park Morton Redevelopment Initiative Plan Approval Resolution of 2008, effective February 29, 2008 (Resolution 17-538; 55 DCR 1881).

⁴ Lincoln Heights/Richardson Dwellings New Communities Revitalization Plan Approval Resolution of 2006, effective December 19, 2006 (Resolution 16-923; 54 DCR 38).

⁵ Fiscal Year 2014 Budget Support Technical Clarification Amendment Act of 2013, effective June 26, 2014 (D.C. Law 20-117; D.C. Official Code § 42-2812.03(e)).

The Honorable Phil Mendelson

FIS: "New Communities Bond Authorization Emergency Amendment Act of 2018," Draft Bill as shared with the Office of Revenue Analysis on November 6, 2018

The bill allows the District to issue income tax bonds to support the New Communities Initiative at the same time as it issues income tax bonds for other District purposes, so long as those supporting the New Communities Initiative are a separate series of bonds.

Financial Plan Impact

Funds are sufficient in the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill. There are no costs associated with issuing New Communities Initiative income tax bonds at the same time the District issues other income tax bonds or issuing them as a distinct series of bonds. The District may experience cost and debt cap savings because of lower interest rates if it can issue the debt concurrently, but savings cannot be quantified at this time.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL



Commercial Division
Tax & Finance Section

MEMORANDUM

TO: Brian Kenner
Deputy Mayor for Planning and Economic Development

FROM: Patrick Allen
Senior Assistant Attorney General
Commercial Division

DATE: November 5, 2018

SUBJECT: Legal Sufficiency Certification of the “New Communities Bond Authorization Emergency Amendment Act of 2018”; the “New Communities Bond Authorization Temporary Amendment Act of 2018”; and the “New Communities Bond Authorization Amendment Act of 2018”

This is to certify that the Commercial Division has reviewed the three above-referenced acts and found each of them to be legally sufficient. If you have any questions in this regard, please do not hesitate to call me at 724-7754.

A handwritten signature in cursive script that reads "Patrick Allen". The signature is written in black ink and is positioned above a horizontal line.

Patrick Allen
Senior Assistant Attorney General